Institute for Ethical Leadership

Executive in Residence Column

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July 2015

Last month I saw a 60 Minutes interview with FBI Director Comey. He noted “The dangers of falling in love with our own rectitude.” Brought to mind a Venn diagram of conduct: ethics, morality and the law. Each is a part of our lives, but they are not congruent, they overlap; and for different individuals the overlap of each is different.

Morality is commonly thought of as being internal, we refer to a person’s moral compass. Ethics as being external; for example, any licensed professional (a lawyer, accountant, doctor) must abide by a code of ethics. We think of the famous Hippocratic Oath. The law of course is the device by which we regulate society at large. Each (morality, ethics and the law) must necessarily inform the other. You can probably think of something that you personally would not do, even though it does not violate either ethical standards or the law. For example, a senior executive works for a company that allows senior management to fly first class, but our hypothetical executive is heading a business unit struggling to meet its numbers, and she or he makes the personal decision to always fly coach.

But is it ethical to try to impose our moral standards on others? What are the dangers of falling in love with our own rectitude? One of the challenges of every corporate ethics officer is the employee who confuses his or her own moral agenda with the ethical and legal standards applicable to the company. For example, the employee who has his own views on profitability and pricing, who launches an e-mail blast declaring the company’s pricing program illegal, even though it does not in fact violate any law and conforms to the company’s code of ethics. (Yes, I have actually seen this happen!) On the other hand, as academics, behavioralists and management gurus have observed, a person may have a suspect moral compass yet find it in his or her best interest to follow the code of ethics applicable to them. For instance, the office wolf who realizes that his career depends on conforming to his company’s code of office behavior. These behaviors provide sound reasons for having an effective corporate code of ethics in force. It is not merely the current thing to do, it is the right thing to do. A good code of ethics makes right behavior easier for employees. Right behavior leads to fewer corporate compliance breakdowns and concomitant financial and reputational impact.

Horizon Blue Cross Blue Shield of New Jersey states on its website: "As an employee you are expected to read and make a personal commitment to follow our Code of Business Conduct and Ethics."

Of course, this only works if the rank and file believe executive management has personally committed to its corporate code. This is yet one more area where transparency is crucial. It you are an executive or manager, it is not enough to be ethical, you must be seen to be ethical. You must be an evangelist of ethics. How to do this? In both little ways and big. If everyone in the office knows you take pencils and pads home for your kids, they may wonder what larger things you do.

If you are seen as a person who epitomizes "do as I say, not what I do," you will fail as an ethical leader. In that case, you might have a beautifully written code of ethics, but your fellow employees will hear only empty words.